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INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT

SECURITY AGREEMENT made this 17th day of September, 1969,  
by Transerv Systems, Inc., to Lutheran Brotherhood.

Transerv Systems, Inc., Katonah, New York, a Delaware corporation, hereinafter called the Debtor, as security for the payment of an indebtedness evidenced by and subject to the provisions of the Debtor's promissory note of even date (and any renewals or extensions thereof), grants a security interest to Lutheran Brotherhood, Minneapolis, Minnesota, hereinafter called the Secured Party, in collateral consisting of equipment described in Exhibit A attached hereto and made a part hereof.

1. Payment of Obligation. The Debtor shall pay to the Secured Party the sum evidenced by the promissory note executed pursuant to this agreement in accordance with the terms of such note.

2. Covenants as to Collateral and Security Interest. The Debtor covenants and agrees as follows:

- a) to use the collateral exclusively as equipment in the business of leasing such tank cars to Skelly Oil Company under a ten-year lease; said lease to be approved by Secured Party,
- b) to keep the collateral in first class repair and running condition, reasonable wear and tear accepted, and not to permit its value to be impaired, and to replace at his own expense, any worn, broken, or defective parts,
- c) to defend it against all claims and legal proceedings by persons other than Secured Party,
- d) to pay and discharge when due all taxes, license fees, levies and other charges upon it,
- e) to keep it free from all liens, encumbrances and security interests other than those created or expressly permitted by this agreement,
- f) not sell, lease or otherwise dispose of it except as specifically authorized in this agreement or in writing by the Secured Party,
- g) not permit it to be used in violation of any applicable law, regulation or policy of insurance,
- h) to allow the Secured Party or its representative free access to or right of inspection thereof at all times,
- i) to keep for the entire term of this agreement, liability insurance in such reasonable amounts as Secured Party may require and shall furnish evidence of such insurance satisfactory to Secured Party.
- j) to pay all expenses, and upon request, take any action reasonably deemed advisable by Secured Party to preserve the collateral or to establish, determine priority of, perfect, continue perfected, terminate and enforce Secured Party's interest in it or rights under this

Agreement, including but not limited to executing such financing statements and other instruments and performing such acts as the Secured Party may request to establish and maintain a valid security interest in the Collateral,

- k) to use the proceeds advanced by the Secured Party pursuant to this agreement for the sole purpose of acquiring the collateral.

3. Financial Statements. Debtor hereby agrees to supply Secured Party with quarterly income and surplus statements and balance sheets within 45 days from close of quarter and annual statements within 120 days after close of their fiscal year. Failure to supply Secured Party with such information shall constitute a default of the entire obligation and Secured Party may proceed as provided herein.

4. Breach of Covenants. Should the Debtor fail to furnish, maintain and pay the premiums for the insurance herein provided, or fails to repair and maintain collateral as provided herein or otherwise fails to act as required by this Agreement, the Secured Party may, upon notice to Debtor, and at its election, but is under no obligation to, repair and secure insurance and pay any amount required under this Agreement which Secured Party in its discretion may deem necessary or advisable to keep the collateral free from all liens, taxes, incumbrances, or other charges for keep, repair, storage, maintenance, or accessories; and any sum or sums so paid by the Secured Party, together with interest thereon at the same rate as specified on the note referred to in paragraph one, shall be a lien on such collateral and shall immediately upon demand be due and payable by the Debtor to the Secured Party. Failure of Debtor to so pay shall constitute default on the entire obligation.

5. Debtor's Assignment of Lease. It is hereby agreed that, as additional security, Debtor assigns all its right, title, and interest in and to each item of equipment and moneys due or to become due to Debtor as Lessor under Debtor's lease with Skelly Oil Company.

6. Default. Non-payment of the promissory note referred to herein or non-compliance with or non-performance of any other obligation of the Debtor hereunder, or any misrepresentation or misstatement in connection herewith shall constitute a default under this agreement. Loss of or damage to collateral shall not release Debtor from any of the obligations.

7. Secured Party's Remedies. The Secured Party may exercise his rights of enforcement under the Uniform Commercial Code in force in the State of Minnesota. In any such case, the Secured Party, subject to the Debtor's right to redeem the collateral, may sell the collateral at public or private sale at such price as it may deem best, for cash, credit, or otherwise, with the right of the Secured Party to purchase and apply to the proceeds, first to the payment of all expenses connected with the taking and selling of the collateral, then, to the settlement of all liens or claims on the collateral, and finally, to the payment of all sums then unpaid hereunder; and, in the case of any deficiency, the Secured Party may collect such deficiency from the Debtor. Debtor further agrees to pay all reasonable costs and expenses of the Secured Party in protecting or enforcing Secured Party's rights under this Agreement, including without limitation reasonable attorney's fees and legal expenses and all expenses of taking possession, holding, preparing for disposition, and disposing of the collateral.

8. Waiver. No delay or failure by the Secured Party in the exercise of any right or remedy shall constitute a waiver thereof, and no single or partial exercise by Secured Party of

any right or remedy shall preclude other or further exercise thereof of any right or remedy. Secured Party may permit Debtor to remedy any default without waiving the default so remedied.

9. Liability of Secured Party. Secured Party has no duty to protect, insure or realize upon the collateral. Debtor releases Secured Party from any liability for any act of omission relating to the obligations, collateral or this agreement, except Secured Party's willful misconduct.

10. Secured Party's Right to Assign. Nothing contained herein shall prohibit Secured Party from assigning or otherwise transferring his interest in this Security Agreement or Debtor's promissory note.

11. Debtor's Representations. Debtor represents and warrants as follows:

- a) The information supplied and the statements made by him in any financial or credit statement or application for credit prior to this arrangement are true and correct.
- b) No financing statement covering the collateral or its proceeds is on file in any public office and that, except for the security interest granted in this Agreement, there is no adverse lien, security interest, or encumbrance in or on the collateral.

12. Notices. All notices and other communication required under this lease shall be in writing and delivered either personally or by depositing the same, postage prepaid, in the United States mail addressed to the party hereto to whom the same is directed at the following addresses:

To Secured Party, at 701 South Second Avenue, Minneapolis, Minnesota 55402;

To Debtor, at P.O. Box 216, Katonah, New York, 10536.

Either party hereto may from time to time change its mailing address by written notice to the other.

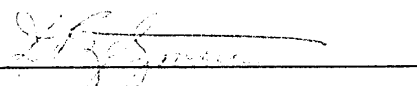
13. The Agreement. This agreement shall be construed pursuant to the laws of the State of Minnesota and the execution hereof be deemed to have taken place on the part of all signatories hereto in the City of Minneapolis, County of Hennepin, State of Minnesota. Time is of the essence of this agreement. In the event that any provision herein shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision herein, and this agreement shall be construed as if such invalid or unenforceable provision had not been contained therein.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

Secured Party

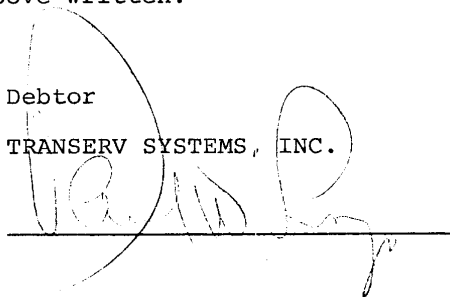
LUTHERAN BROTHERHOOD

BY



Debtor

TRANSERV SYSTEMS, INC.



STATE OF MINNESOTA) SS.  
COUNTY OF HENNEPIN)

On this 17th day of September, 1969, before me, a Notary Public within and for said County, personally appeared Paul W. Siege to me personally known, who, being by me duly sworn, did say that he is the Chairman of Transerv Systems, Inc., the corporation named as Debtor in the foregoing instrument; and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Paul W. Siege acknowledged said instrument to be the free act and deed of said corporation.



DAVID C. NELSON  
Notary Public, Hennepin County, Minn.  
My Commission Expires May 23, 1971.

E X H I B I T     A

Complete description of equipment to be leased to Skelly Oil Company and in which equipment Lutheran Brotherhood, as Secured Party, has a security interest under Security Agreement and Promissory Note of the 17th day of September, 1969, as follows:

Class DOT 112-A-340-W  
Tank Cars  
Initialed & Numbered  
TSVX 3300 - 3334

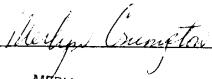
Also described with serial numbers as follows:

112A340W  
18-141-65-1

112A340W  
18-141-65-2

ETC. Through 35.

I, Merlyn Crumpton, a Notary Public of the County of Hennepin, State of Minnesota, hereby certify that I have examined the attached photocopy of the Security Agreement dated September 17, 1969 between Transerv Systems, Inc., as Debtor and Lutheran Brotherhood as Secured Party; that I have compared the same with the original thereof; and that the attached photocopy is a true, exact and complete copy of the original of the said Security Agreement. Dated this Eighth day of September, 1971 at Minneapolis, Minnesota.

  
MERLYN CRUMPTON  
Notary Public, Hennepin County, Minn.  
My Commission Expires Jan. 23, 1977.